

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-110-WS – ORDER NO. 2007-297
APRIL 20, 2007

IN RE: Petition of the Office of Regulatory Staff to)	ORDER GRANTING
Request Forfeiture of the Piney Grove)	FORFEITURE OF
Utilities, Inc. Bond and to Request Authority)	PERFORMANCE BOND
to Petition the Circuit Court for Appointment)	
of a Receiver.)	

This matter comes before the Public Service Commission of South Carolina (Commission) pursuant to Order No. 2006-262. As detailed therein, the Commission had previously found that Piney Grove Utilities, Inc. had willfully failed to provide adequate service without just cause or excuse, and that this failure continued for an unreasonable length of time. Order 2006-262 further established that the bond placed by the Piedmont Water Company covers Piney Grove Utilities, Inc. due to the consolidation of the two companies. Because the preconditions for forfeiture of the Piedmont bond had been met, but specific evidence quantifying the itemized losses and expenses were not yet in the record, we granted the Office of Regulatory Staff (ORS) an opportunity to present such evidence in a hearing held on November 28, 2006.

The evidence presented at the hearing pertained to three receiver entities: Richland County, the South Carolina Department of Health and Environmental Control (DHEC), and the City of Cayce.

With regard to Richland County, the testimony of Raymond F. Peterson, Deputy Director of the Utilities Department for Richland County, showed that the County had incurred operating and maintenance expenses of \$65,266 in connection with its operation of the Franklin Park and Albene Park water and wastewater systems from August 2005 through October 2006. The County had collected revenues of \$29,596. This resulted in a net loss to the County of \$35,670. We find that this net loss should be recoverable by the County from the bond.

The South Carolina Department of Health and Environmental Control acted as receiver for the Lloydwood sewer system from April 2005 through September 2005. M. Rheta Geddings, Assistant Chief of the DHEC Bureau of Water, testified that DHEC had incurred expenses of \$18,935 in operating and maintenance expenses in connection with the Lloydwood system. DHEC had no revenue collections to offset these expenses, resulting in a net loss of \$18,935. We find this amount to be recoverable from the bond.


The City of Cayce became the receiver for the Lloydwood system in October 2005. Because the City of Cayce's revenue receipts through September 2006 exceeded its expenses, we find that no additional forfeiture of bond amounts is warranted to offset the City of Cayce's expenses incurred in connection with the Lloydwood system.

Therefore, pursuant to the authority set out in S.C. Code Ann. §58-5-720, we order forfeiture in the amount of \$54,605, which represents the sum of the net losses incurred by Richland County and DHEC in the course of acting as receivers for Piney Grove Utilities, Inc. If subsequent additional net losses in connection with the Piney

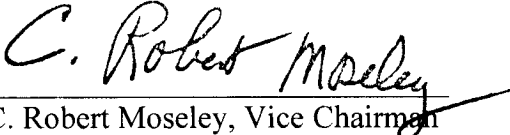
Grove water and/or wastewater systems can be shown by the receivers, the ORS is authorized to request further forfeitures.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


G. O'Neal Hamilton, Chairman

ATTEST:


C. Robert Moseley, Vice Chairman

(SEAL)